

# Tradegame International

## Tradegame Block Diagrams

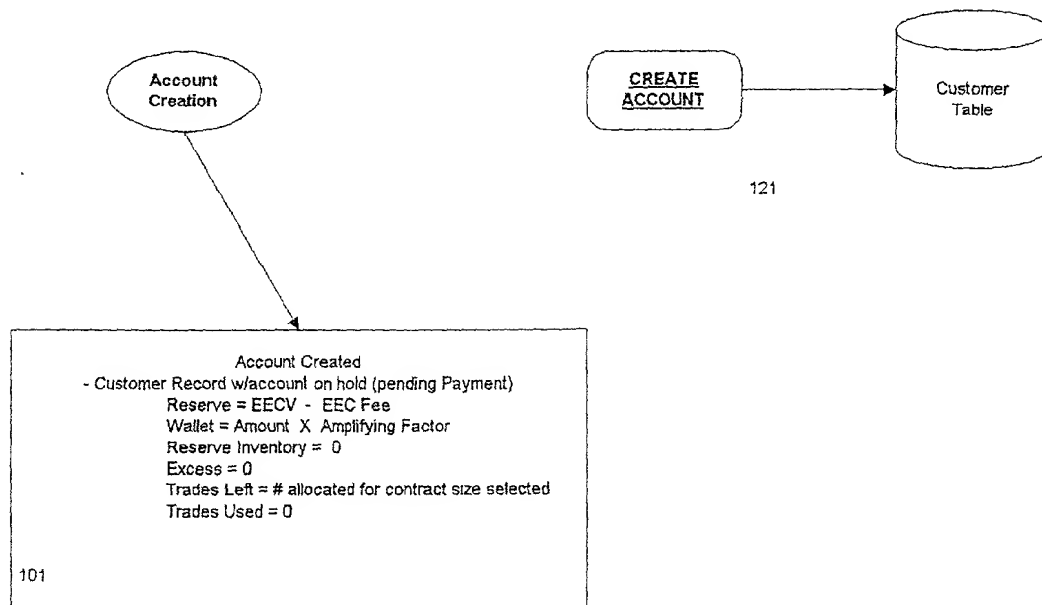


FIG. 1

Glossary:	
EECV	Equity Empowered Contract Value
EEC Fee	Amount paid from EECV as a fee
Reserve	Refundable Deposit (starts at EEC Value - EEC Fee)
PA	Purchasing Allowance (starts at Reserve X Amplifying Factor)
Wallet	Same as PA
Transaction	A Buy or a Sell
Amplifying Factor	A fixed number used that represents the buying power per dollar (example: 10 means every dollar in reserve allows ten dollars of game purchasing power).

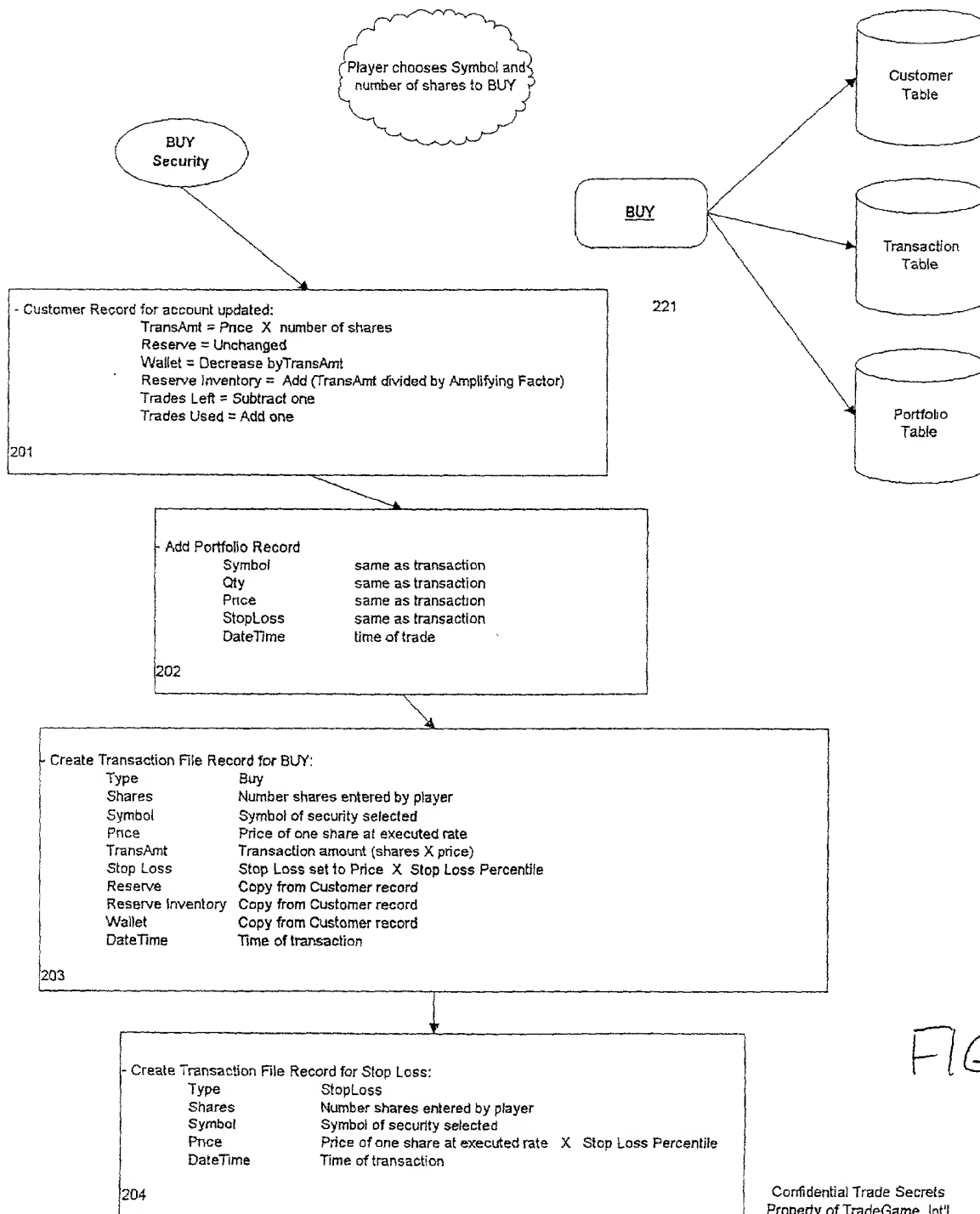


FIG. 2

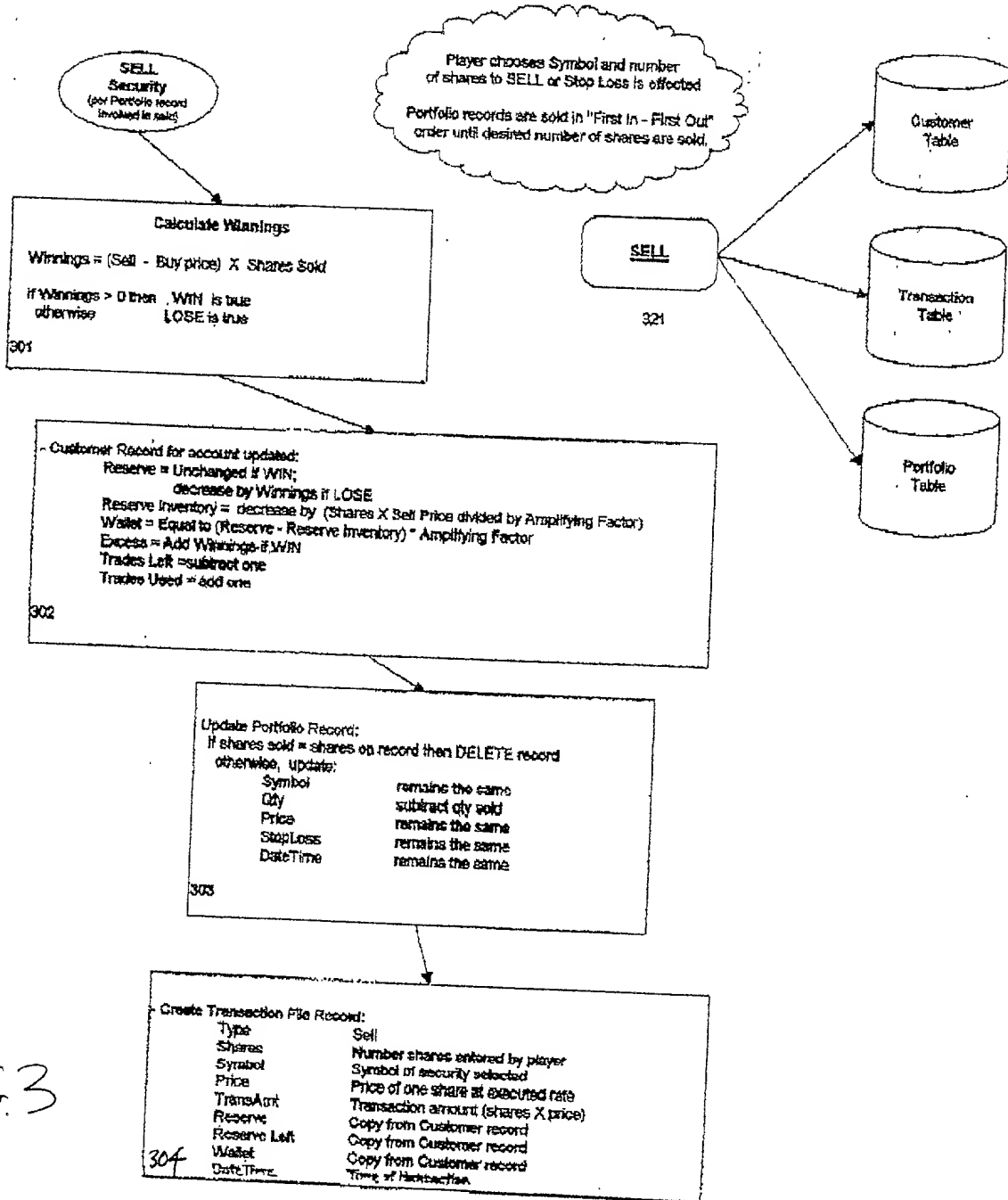


FIG. 3

30 day  
Equity Empowered Contract  
**tradegame.com**  
A Whole New Way To Play The Market !!

# Tradegame International

## Network/Hardware Diagram

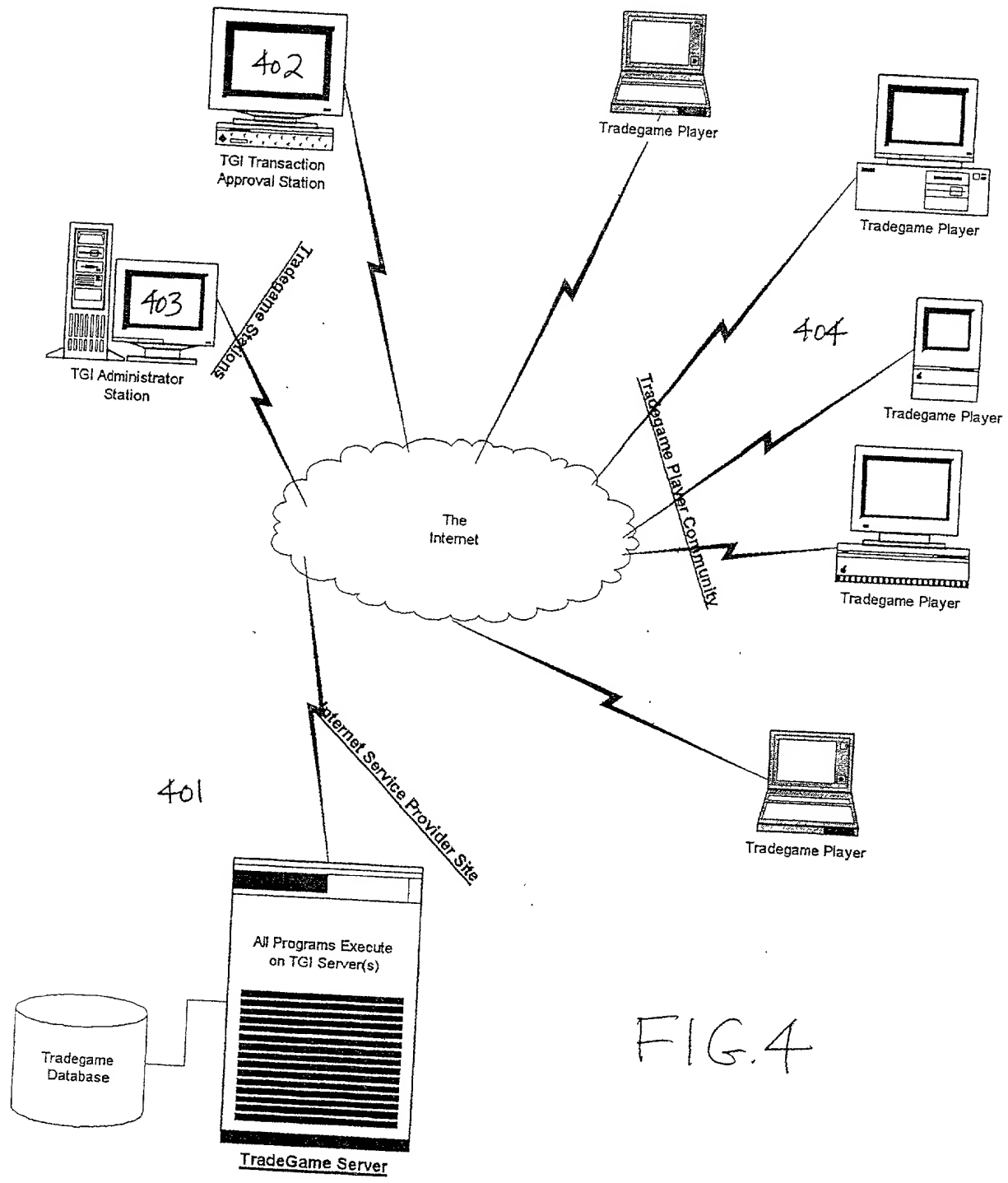
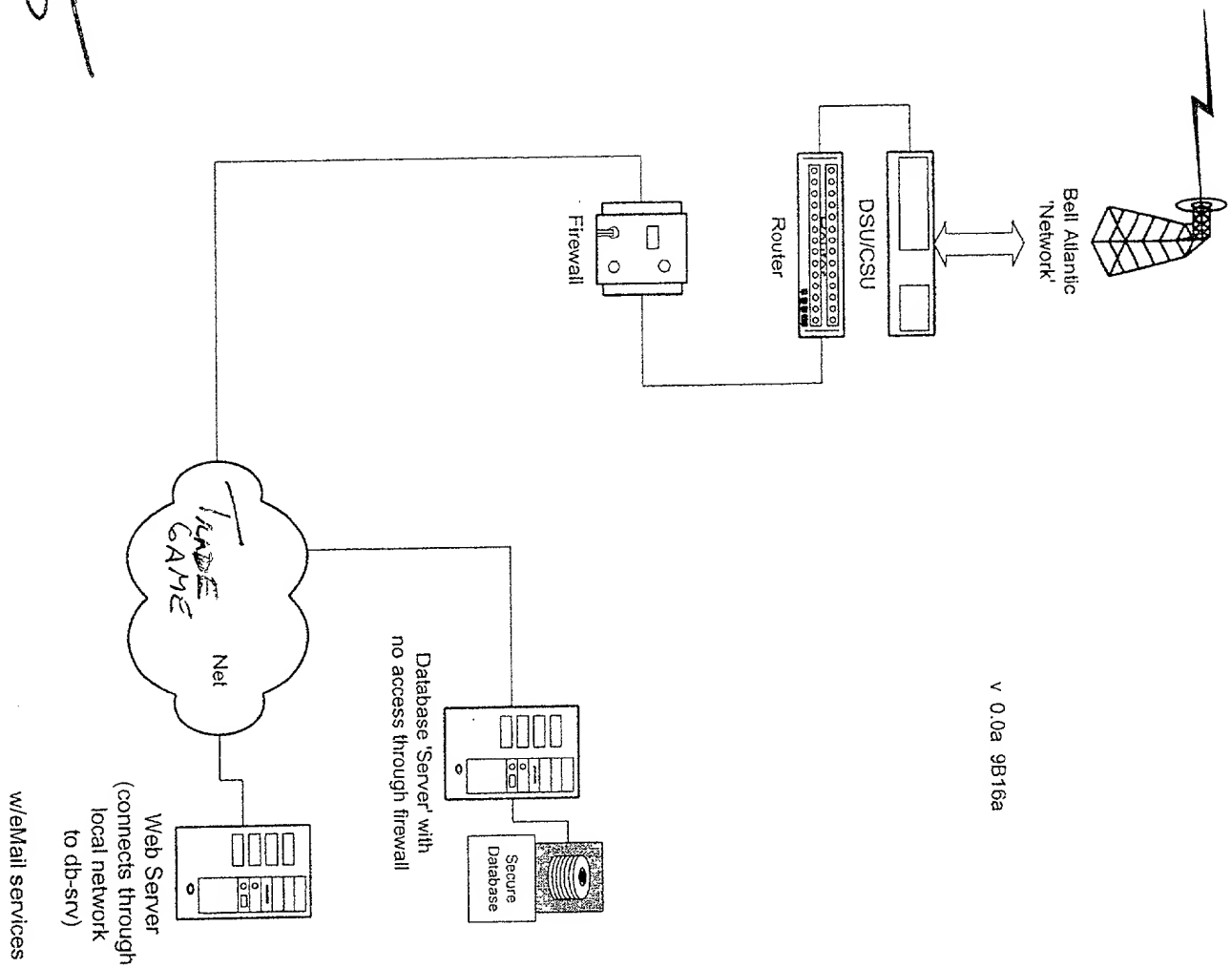


FIG.4

SECRET

FIG. 5



v 0.0a 9B16a

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Fred logs on to TradeGame.com, he then places a buy of 100 shares of TGC at \$12.625.

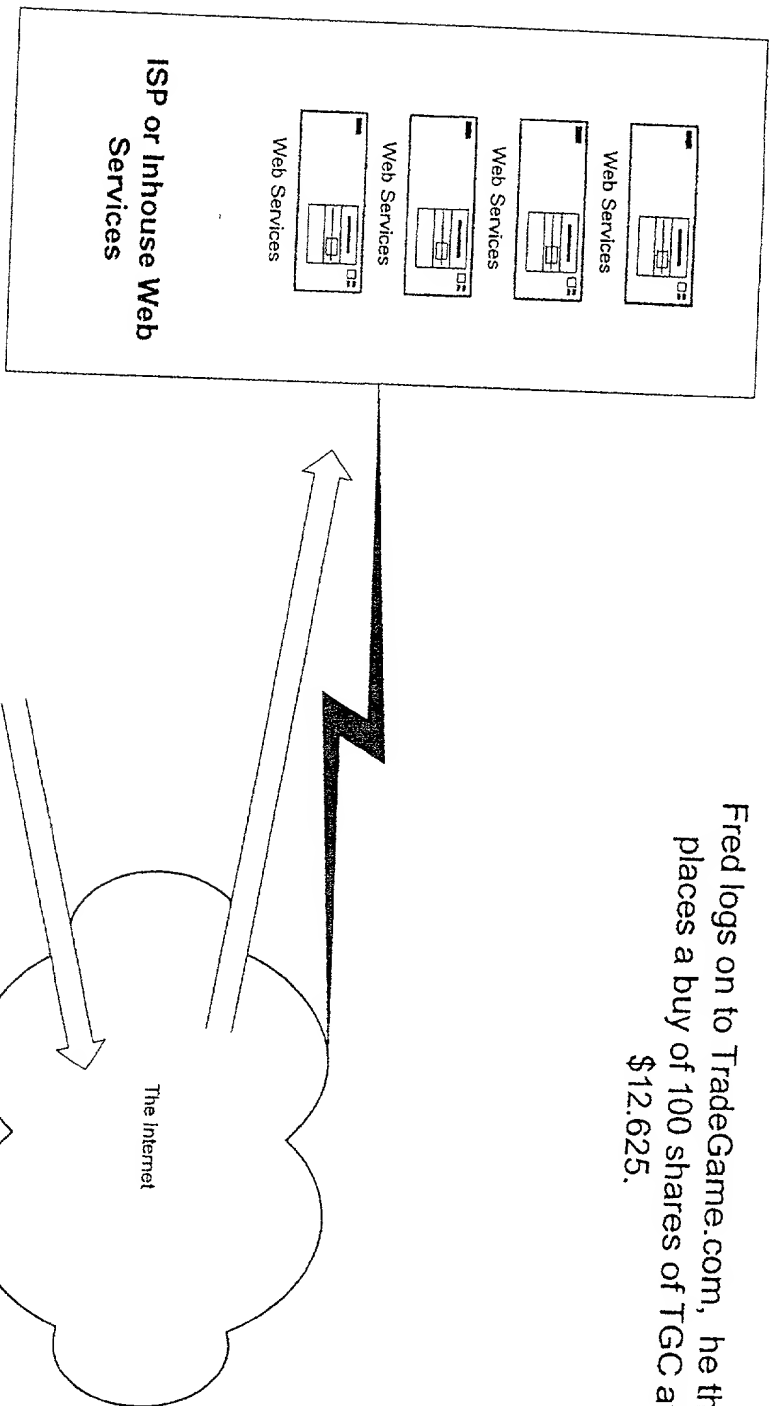
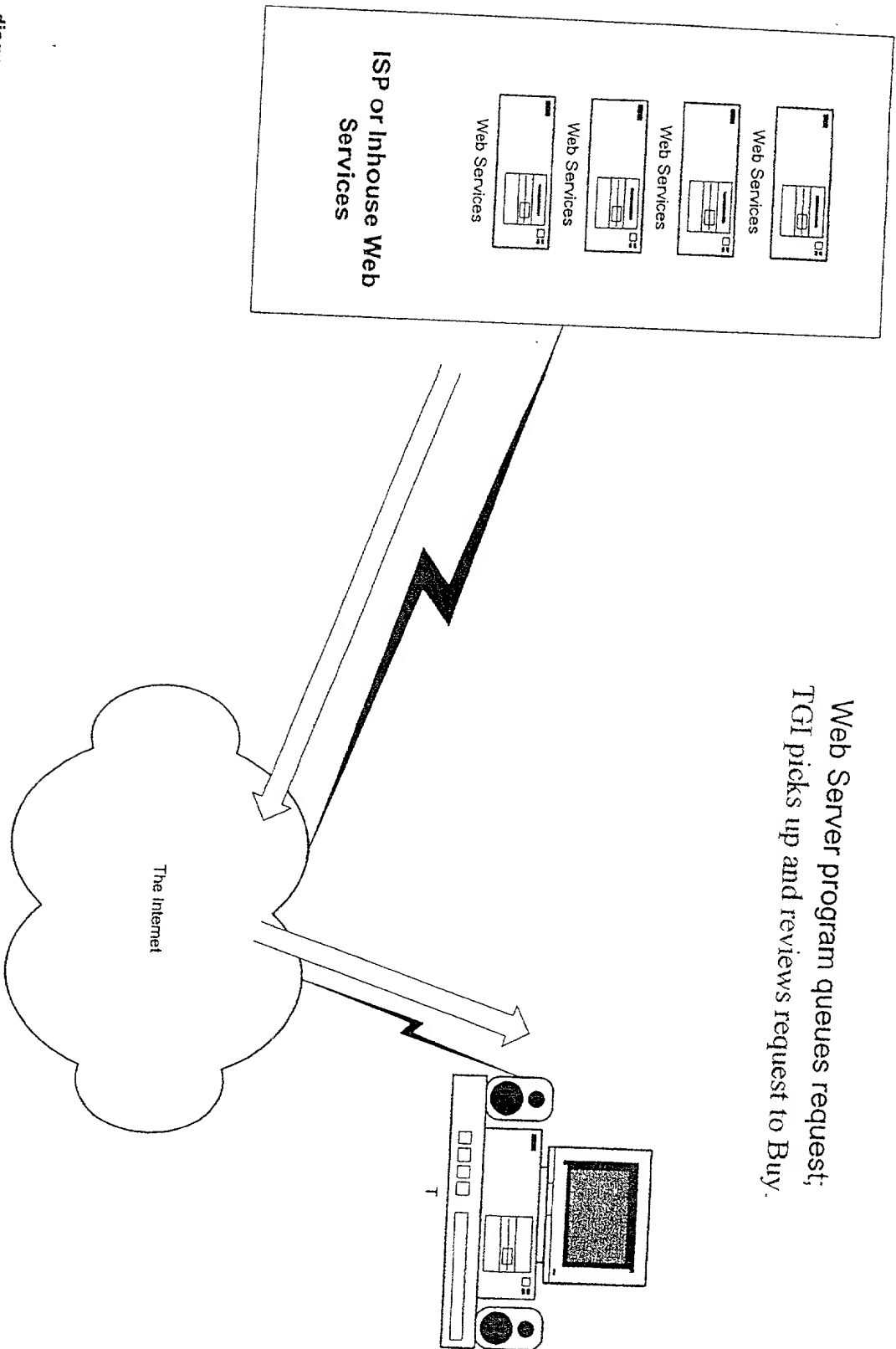


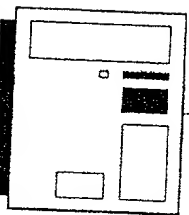
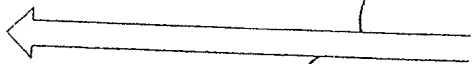
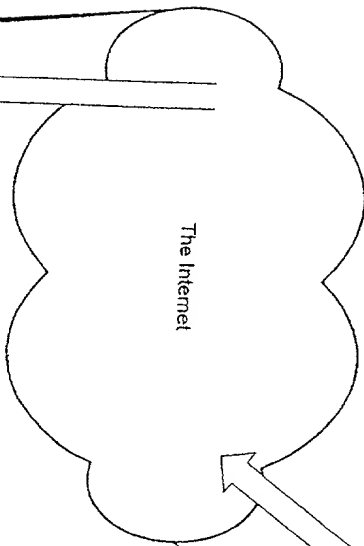
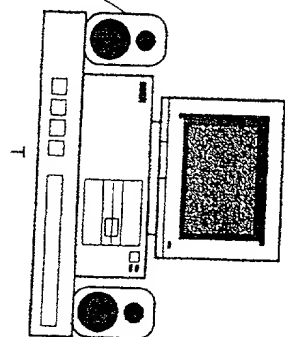
FIG. 6



Web Server program queues request;  
TGI picks up and reviews request to Buy.

FIG. 7

Trade Request is made to TGI Corporate Trading Account  
In Any Appropriate Manner to Hedge Itself

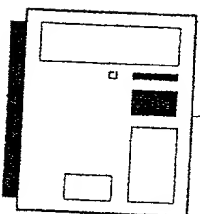
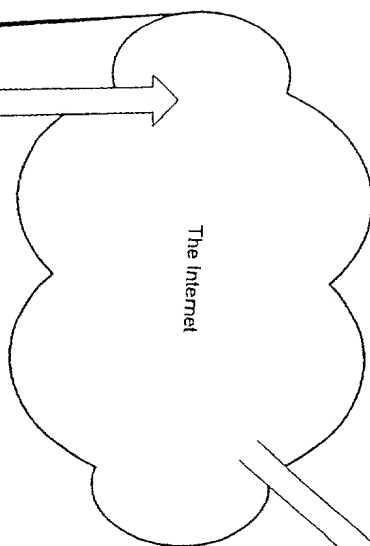
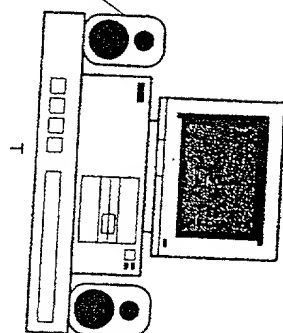


ES, Datek

FIG. 8



Trade Request Confirmed



eg. Datek

FIG. 9

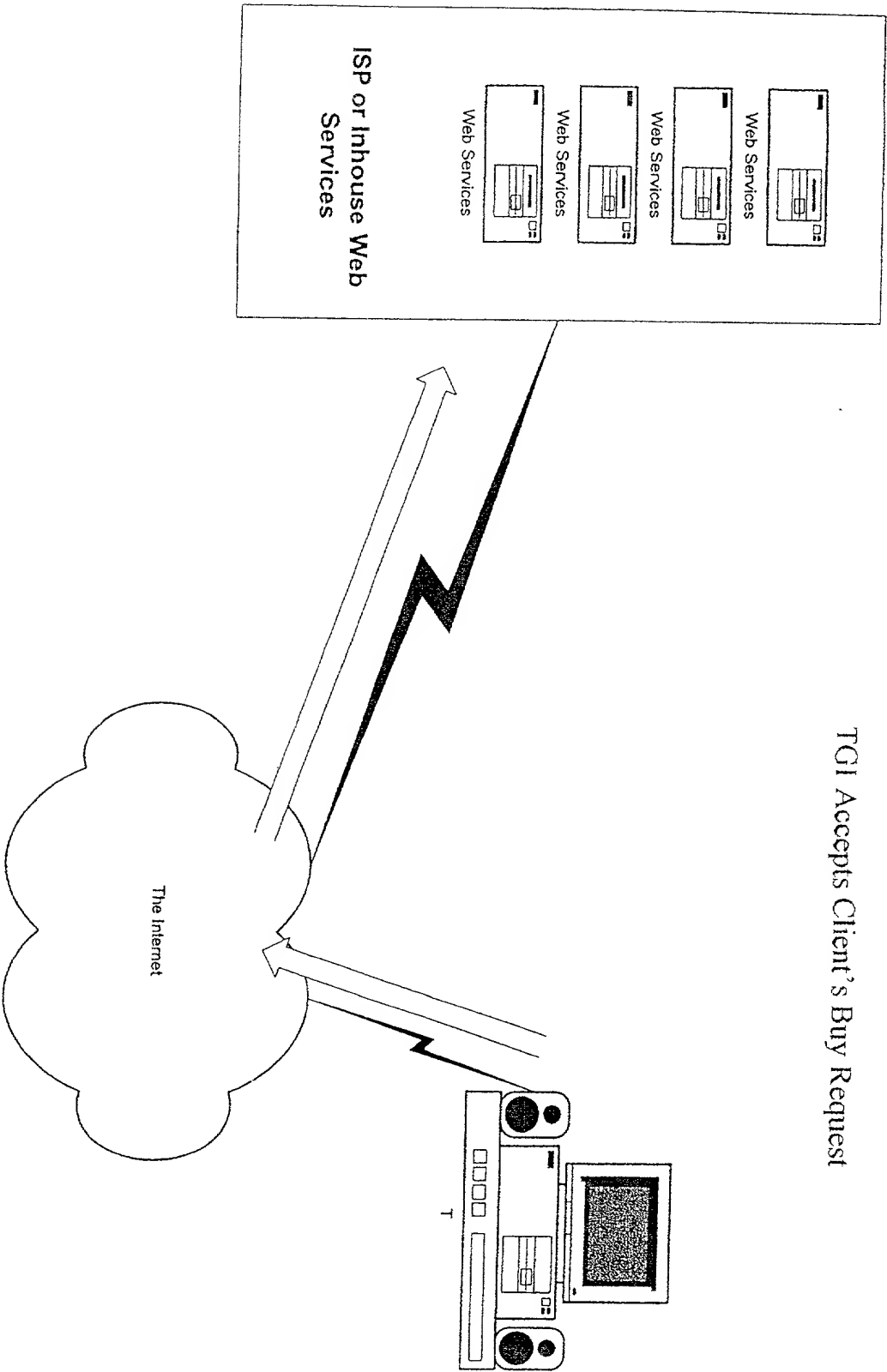


FIG. 10

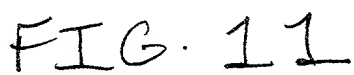
Web Services

Web Services

Web Services

Web Services

ISP or Inhouse Web Services



*Details user information  
And account status*

You have started playing on 12/13/1999  
you have      days remaining.  
During this time you have used 2 transactions and currently  
have 18 transactions left.

Wallet is currently: 4,435.00  
 Transaction remaining: 18  
 Excess is currently: 219.00  
 Reserve remaining: 1,000.00  
 Reserve Inventory is currently: 556.50  
 Reserve left is currently: 443.50

FIG. 12

tradegame.com

Main

Buy

Sell

Pend

Port

Hist

Help

Log

Off

Trade Game

Report  
Enter symbol  
Open  
Bid  
Ask  
High  
Low  
Volume

Share Price  
Price  
Volume  
Dollar amount  
of order

Account Info

Reserve 1,000,00  
Reserve Inventory 550,50  
Reserve Loan 443,50  
Worth 1,443,00  
Balance 890,00

SCREEN 2

Enables the user  
To view the stock symbol,  
price and value of the  
share amount

FIG. 13

tradegame.com

Main Buy Sell Pend Port Hist Help Log Off

Symbol

Trade Game

Symbol KM  
Company Kmart Corp  
Sector Retail  
Open 10  
High 10.75  
Low 10.50  
Bid 10.50  
Ask 10.75  
Volume 10000

Enter share  
price  
Quantity 10 3/1  
Order Amount  
of 100

Buy

Account Info

Balance  
Pending  
Debit  
Credit  
Total  
Margin  
Equity

SCREEN 3

This screen allows  
the user to enter  
a simulated purchase

FIG. 14

tradegame.com

Main Buy Sell Pend Port Hist Help Log Off

Account is not entered  
MAPN111  
Please NO Comma in  
ID  
Please use only numbers  
and letters  
Please use only letters  
and numbers

QUEENS, JOHNIE  
2

You have requested the following  
buy transaction:

KM  
\$10 3/16  
X 12  
=\$122.25

*This transaction will include a 10%  
stop loss order at approximately 9 3/16*

Proceed with transaction?



Account Info

Equity 1,000.00  
Positive Inventory 510.50  
Reserve Left 443.50  
Wager 4,435.00  
Excess 219.00

FIG. 15

SCREEN 4

*This screen  
confirms the  
simulated purchase*

FIG. 15

tradegame.com

Main Buy Sell Pend Port Hist Help Log Off

Symbol	Shares	Current Price	Current Value	Sell
KM	500	10 3/16	5,093.75	SELL

Account Info

Reserve 1,000.00  
Reserve Inventory 556.50  
Reserve Left 443.50  
Wallo 4,475.00  
Process 219.00

SCREEN 5

*This screen  
allows the  
user to view  
positions that  
are available  
to Sell.*

FIG. 16



tradegame.com

Main Buy Sell Pend Port Hist Help Log Off

Selling stock KM

Current Price is 10 3/16

Date Purchased	Shares	Current Price	Stop Loss	Purchased Value	Current Value
12/13/99 2:02:50 PM	500	10 3/16		5,093.75	5,093.75

Account Info

Reserve 1,000.00  
Reserve Available 85.50  
Reserve Total 1,085.50  
Margin 1,138.00  
Total 2,223.50

How Many share do you wish to sell?

100

Do you wish to execute this transaction?



SCREEN 6

This screen  
allows the  
user to enter  
the share  
amount for  
a simulated  
Sell.

FIG. 17

Transaction Pending:

Kill	Date Purchased	Type	Symbol	Qty	Appox Price
X		Sell	CA	100	100
X		Sell	KM	250	100
X		Sell	KM	500	100
X	12/17/99 1:09:26 PM	Buy	IBM	12	110 3/16
X		Sell	KM	200	100
X	12/23/99 9:44:16 AM	Buy	HM	500	8 3/8
X	12/23/99 9:54:21 AM	Buy	HM	100	8 5/16
X	12/23/99 12:28:49 PM	Buy	HM	500	8 7/16
X	12/23/99 12:30:44 PM	Buy	HM	500	8 7/16
X		Sell	KM	300	100
X		Sell	gina	1233	100
X		Sell	KM	1000	100
X		Sell	ibm	12000	100
X	12/23/99 1:09:26 PM	Buy	HM	500	8 7/16
X	12/23/99 2:30:09 PM	Buy	HM	100	8 3/8
X		Sell	KM	200	100
X	12/25/99 7:35:40 PM	Buy	KM	12	10 7/8
X	12/28/99 3:14:35 PM	Buy	KM	200	10 5/16
X	12/29/99 4:27:22 PM	Buy	IBM	20	110
X	1/3/00 4:00:49 PM	Buy	KM	12	10 3/16
X	1/3/00 4:01:51 PM	Sell	KM	100	10 3/16

Account Info	
Balance	1000.00
Unsettled	0.00
Unrealized	0.00
Settled	0.00
Unsettled	0.00
Unrealized	0.00
Settled	0.00

This Pending Page enables The user to View all Pending Simulated Orders that Are awaiting Execution.

\* all transactions are executed at market price.

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System response and access times may vary due to  
market load and system performance and other factors.  
For more information please call  
1-800-663-6366.

SCREEN 7

FIG. 18

FIG. 18

[Main](#) [Buy](#) [Sell](#) [Pend](#) [Portfolio](#) [Hist](#) [Help](#) [Log Off](#)

Account Info

Reserve	1,000.00
Reserve Inventory	556.80
Reserve for	
Wages	945.50
	4,445.00
Total	219.90

[illegible]

FIG. 19

tradegame.com

Main Buy Sell Pend Port History Help Log Off

Account Info

Reserve: 1,000.00  
 Reserve Inv: 556.50  
 Reserve Left: 443.50  
 Wallet: 4,435.00  
 Excess: 219.00

Type	Symbol	Qty	Price	Tran Amount	Reserve	Reserve Inv	Reserve Left	Wallet	Excess	Date
Buy	CA	100	60.81	6,081.00	1,000.00	608.10	391.90	3,919.00	0.00	12/13/1999, 12:36 PM
Sell	CA	100	63	6,300.00	1,000.00	0.00	1,000.00	10,000.00	219.00	12/13/1999, 01:03 PM
Buy	KM	500	11.13	5,565.00	1,000.00	556.50	443.50	4,435.00	219.00	12/13/1999, 02:02 PM

SCREEN 9

This History  
 Screen allows  
 The user to  
 View all the (contract )  
 Account history.

FIG. 20

# Contract Application

*This screen displays The Contract Application for the Potential User to fill out.*

Desired contract  
size:

☐ \$300  
EEC ☐ \$750  
EEC ☐ \$1,500 EEC

Pick a User Id:  (between 5 and 8 characters)

First Name:

Last Name:

Address:

City:

State:  If outside the US:  
your State or Province

Zip/Postal Code:

Country:

Telephone:

E-mail Address:

-We use e-mail to notify you about your account status and the outcome of your orders. Once you have an account with us, you can update your e-mail address online in the Account Options section of the site.

Date of Birth:

Year:  (yyyy)

Citizenship:

☐ U.S. Citizen  
☐ U.S. Permanent Resident  
☐ Other =====>

If other please specify:



U.S. Social Security Number:  -  -

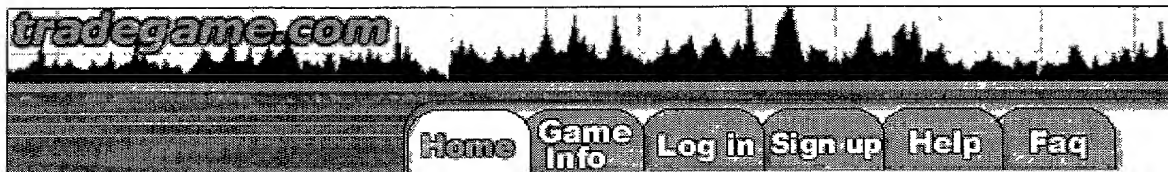
(U.S. contracts only)

How did you hear about us?

Enter

FIG. 21

Screen  
10



*This Main ("Home") page  
Briefly describes the  
System and its advantages in  
Comparison to conventional  
Stock trading*

Tradegame was created to give an investor an advantage with limited downside. The advantage being - play with more for less. You're given more with less risk. It's that simple. It starts with you buying a contract. That contract expires in 30 days. During the 30 days, you select stocks on the NYSE, AMEX or NASDAQ (national markets). The way you make money is by selecting stocks you believe have potential to rise in value. When the stocks picked perform positively within your selected time frame, Tradegame pays you any and all increases in value. All transactions are simulated stock transactions with no ownership interest in the underlying securities selected. To meet a variety of client needs, Tradegame offers three different contracts:

- A \$1500 contract allows you to select \$10,000 worth of stock value and allows you 20 transactions!
- A \$750 contract allows you to select \$5000 worth of stock value and allows you 10 transactions!
- A \$300 contract allows you to select \$1000 worth of stock value and allows you 4 transactions!

Unlike conventional stock purchases, your losses are limited to your contract cost (never a margin call! no interest charged!). Your earning potential is enormous considering your limited risk. Take a look at the Comparison Chart below and see the edge you get by executing simulated transactions through Tradegame over conventional stock purchases:

#### COMPARISON - CASH, MARGIN, TRADEGAME

Client simulate buy 500/XYZ @ 20 and sell it at 24.

\$ At risk	Cost	\$ Made	Profit	Trade Balance	% return to user
<b>C</b> \$10,000	\$100	\$2,000	\$1,900	\$11,900	19%
<b>M</b> \$5,000	\$100	\$2,000	\$1,900	\$6,900	38%
<b>TG</b> \$1,500 (2/3 RD)	\$0	\$2,000	\$2,000	\$3,000	100%

Second trade - Client buys ABC @20 and sells it at 26.

\$ At risk	Shares Amount	Cost	\$ Made	Profit	Trade Balance	% return to user
<b>C</b> \$11,900	595	\$100	\$3,570	\$3,470	\$15,370	29%

*Screen 11*

FIG. 22

<b>M</b> \$0,900	090	\$100	\$4,140	\$4,040	\$10,940	59%
<b>TG</b> \$1,000						
(R/D)						
(\$2000 in	500	\$0	\$3,000	\$3,000	\$4,000	300%
excess)						

Summation:

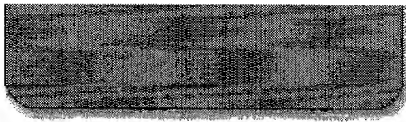
Account Net Worth	Original \$	required %	Gains
<b>C</b> \$15,370	\$10,000		54%
<b>M</b> \$10,940	\$5,000		121%
<b>TG</b> \$4,000 (last trade bal.)			
+ \$2,000 (excess) = \$6,000	\$1,500		400%

*This screen  
Is the Main  
("Home")  
page continued.*

If you bought six \$1,500 contracts and put up \$9,000 and closed the contract after the above second transaction it would be worth \$36,000 (cash client account was worth \$15,370). TG client had 10% less exposure yet **TG** client made 400% versus cash clients 54% (made **\$20,630** more using **TG**).

If you bought three \$1,500 contracts and put up \$4,500 and closed the contract after the above second trade, it would be worth \$18,000 (margined client account was worth \$10,940). TG client had 10% less exposure yet **TG** client made 400% versus margined clients 121% (made **\$7,060** more using **TG**).

Now you can see the potential of using Tradegame!  
Tradegame allows you to visualize a stronger future without all the risk. It's about time. Limited Downside. Unlimited Upside. Play today. Play Tradegame.



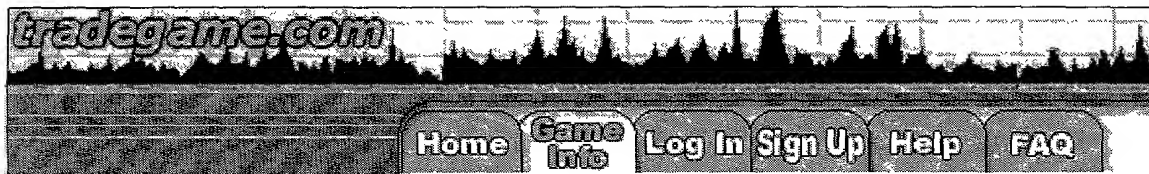
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**1-800-668-6906**

FIG. 23

Screen 12



*This GAME INFO.  
page(s) Briefly  
describes the  
(Screens 13-19)  
provide in detail the  
program, relevant  
terminology, legal  
commentary and  
show specific  
examples of  
simulated  
transactions.*

FIG. 24

#### I Information

Tradegame has designed a unique tool that offers purchasing allowance packaged with safety features not available anywhere else on Wall Street. It's a new concept - Equity Empowered Contracts ("EECs"). EEC's put the purchasing allowance that is normally reserved for large conglomerates and institutions back where it belongs - into the hands of the public. An EEC empowers the purchaser by delivering buying power while simultaneously offering protection that limits the risk to only the cost of the EEC. There are no hidden costs. No interest charged - ever! You keep all the profits from your transactions. It's that simple!

TRADEGAME is not a broker dealer. TRADEGAME was formed to allow the average investor to participate in a EEC. The concept is unique because during the life of the EEC you control its direction.

#### II Vision

TRADEGAME was established to offer its EEC Holders the largest advantage possible on the upside while protecting and limiting downside risk inherent in traditional stock transactions. TRADEGAME offers the best of both worlds for its EEC Holders - great profit potential and limited exposure!

#### III The Process

The process begins with you! It's Simple! EEC's can be purchased through bank wire or money order.

A \$1,500 EEC is made up of a \$1,000 reserve deposit which is held on behalf of the client and a \$500 contract cost which is payable to tradegame and not refundable. The \$1500 EEC offers a wallet (Purchasing Allowance) of \$10,000 (\$1000 reserve deposit X 10; this purchasing allowance is not to be exceeded at any time) which means the owner of the EEC can participate in a max of \$10,000 worth of simulated stock(s) transactions at any one time, although the EEC holder has no ownership interest in such stocks but is entitled to the increase in value of such stocks and is responsible for the decrease in value of such stocks up to 10% loss. Additionally, the \$1500 EEC allows up to 20 stock transactions. The purchaser is limited to a maximum of 1000 shares per transaction. This allows for conventional purchases to be closed at the end of the 30-day EEC.

A \$750 EEC is made up of a \$500 reserve deposit which is held on behalf of the client and a \$250 contract cost which is payable to tradegame and not refundable. The \$750 EEC offers a wallet (Purchasing Allowance) of \$5,000 (\$500 reserve deposit X 10; this purchasing allowance is not to be exceeded at any time) which means the owner of the EEC can participate in a max of \$5000.00 worth of simulated stock(s) transactions at any one time, although the EEC holder has no ownership interest in such stocks but is entitled to the increase in value of such stocks and is responsible for the decrease in value of such stocks up to 10% loss. Additionally, the \$750 EEC allows up to 10 stock transactions. The purchaser is limited to a maximum of 1000 shares per transaction. This allows for conventional purchases to be closed at the end of the 30-day EEC.

A \$300 EEC is made up of a \$200 reserve deposit which is held on behalf of the client and a \$100 contract cost which is payable to tradegame and not refundable. The \$300 EEC offers a wallet (Purchasing Allowance) of \$2000.00 (\$200 reserve deposit X 10; this purchasing allowance is not to be exceeded at any time) which means the owner of the EEC can participate in a max of \$2000.00 worth of simulated stock(s) transactions at any one time, although the EEC holder has no ownership interest in such stocks but is entitled to the increase in value of such stocks and is responsible for the decrease in value of such stocks up to 10% loss. Additionally, the \$300 EEC allows up to 4 stock transactions. The purchaser is limited to a maximum of 1000 shares per transaction. This allows for all conventional purchases to be closed at the end of the 30-day EEC.

Upon making a selection your transaction is evaluated according to the current market price of the security. All opening transaction selections contain a 10% stop loss to insure no violation occurs in excess of your Reserve Deposit. The ending reserve deposit amount plus any profit is paid to you the contract holder after the EEC expires.

All EEC's are for 30 days. Therefore, if there is an open transaction that has not been closed out by the end of the EEC it will be automatically be closed out by TRADEGAME.

- STEP 1 You choose the contract and method of payment
- STEP 2 TRADEGAME receives cleared funds and grants approval
- STEP 3 EEC Holder receives a contract number and PIN number
- STEP 4 EEC Holder enters Transaction
- STEP 5 TRADEGAME responds with transaction execution

#### IV Definitions

- 1 Wallet (Purchase Allowance): The amount of buying power allocated to the EEC contract of choice. This amount is always 10x the Reserve Deposit.
- 2 Safety Features: This includes the use of listed stock only (NYSE, AMEX and NASDAQ [national market system]). TRADEGAME also includes a 10% stop loss with every simulated transaction.
- 3 EEC: abbreviation for Empowered Equity Contract. EEC = Contract Cost (CC) + Reserve Deposit (RD).
- 4 Unique Derivative: A special contract between the initiator of and holder of such contract based upon the sequence of statements mentioned here within.
- 5 EEC Holder: The purchaser of the EEC contract.
- 6 Selected Stocks: NYSE, AMEX and NASDAQ (national market system) only. TRADEGAME also reserves the right to deny any transaction if it feels the transaction can violate risk factors, set for the client or TRADEGAME.
- 7 Reserve Deposit: This is two thirds (2/3) of the EEC contract amount and is used for the calculation of buying power, 10x the reserve deposit is the amount you can transact with.
- 8 Contract Cost: The buyer's cost of the contract as defined by one third (1/3) of the contract EEC amount and is not refundable.
- 9 Simulated Transactions: transaction is based on "value" of AMEX, NYSE and NASDAQ (NMS) listed stocks and EEC holder therefore has no ownership interest in stocks selected.
- 10 EEC#: is the assigned number of the EEC contract issued by TRADEGAME and used in all transactions by the EEC holder.
- 11 Pin#: A security code assigned to the EEC holder by TRADEGAME. This number is used for

SCREEN  
13



identification and security purposes to properly protect TRADEGAME and EEC holders from any unauthorized activity during the life of the contract

12. EEC Holders Screen This screen contains real time and delayed stock data, EEC contract information, and the transaction input field where EEC holders transmit transaction requests to TRADEGAME. TRADEGAME transmits executed transactions via e-mail, subsequently updates the portfolio
13. Excess The value above the required EEC contract Reserve Deposit. This amount can be called on to cover any unexpected loss in the reserve deposit in the event there is a violation of the 10% stop loss
14. Commencement Date The day on which credit approval or bank approval is obtained and the individual receives the contract # and PIN #. This is the date on which the contracts begins.
15. Maturity Date The date on which the contract ends. This day must be a business day. All security positions must be closed out by the EEC Holder by 12:00pm. In the event the positions are not closed out by the holder they are closed out by TRADEGAME after 12:01pm at the available market price
16. Evaluation Date The date on which a transaction is entered, and results are given to the EEC holder
17. Net Evaluation The net value of any transaction.
18. REFRESH OPTION Under this option the EEC holder has the right to add funds to his contract in the event the Reserve Deposit has dropped below the initial required contract amount
19. Payable Gains The amount paid to the EEC holder that is above the initially required Reserve Deposit
20. The Proceeds The amount paid to the EEC holder that covers all gains to the reserve deposit (Excess) and the original reserve deposit requirement
21. Early Withdrawal The process by which the EEC holder can prematurely terminate the life of the contract. This early withdrawal option is extended to the holder upon TRADEGAME approval
22. Early Withdrawal Date The date on which the EEC holder surrenders his contract prematurely
23. Final Review Statement The statement sent via e-mail to all EEC holders that describes all activity, monies remaining and results of transactions

#### V Risk Factor

The maximum risk is the EEC cost. Remember two thirds (2/3) of the EEC amount is the Reserve Deposit and all may be refunded depending on the success of your transactions. The other one third (1/3) of the EEC amount is the Contract Cost and is not refundable. For example, a \$1500 EEC has \$1,000 Reserve Deposit and \$500 Contract Cost

#### VI Become An EEC Holder

Upon gaining credit card approval from your bank or lending institution, TRADEGAME will automatically assign you an EEC Number (EEC #) and Personal Identification Number (PIN #). Both will be utilized any time an EEC Holder makes a transaction. All transactions are made on the EEC Holders Screen. Through our notification system, we will respond immediately and evaluate your transaction selection according to the current market price of the underlying security you have chosen. The TRADEGAME EEC Holders Screen contains real-time and delayed quote service. The EEC Holders Screen also allows EEC Holders to view the current status of their EEC (transactions remaining, value of Reserve Deposit, days remaining, status of contract, value of contract etc.)

#### VII Demo/Example

A USER  
EEC # 09876 (\$1,500 EEC)  
Transactions = 20  
Contract Cost = \$500  
Reserve Deposit = \$1,000  
3/2/99 BUY 500 XYZ @ 20 evaluation = \$10,000  
3/8/99 SELL 500 XYZ @ 24 evaluation = \$12,000  
Net Evaluation = \$2,000  
Transactions left = 18 (Transactions have been reduced by 2 - one buy/one sell)  
Reserve Deposit = \$3,000  
(Reserve Deposit has been increased by \$2,000. TRADEGAME calls this \$2000.00 - Excess, this 2,000 is transferred to the excess column)

In the example above the EEC Holders purchased a \$1,500 EEC and then allocated the equity to one buy transaction evaluated at \$10,000 and then entered one sell transaction of the same underlying security (1 buy and 1 sell). The EEC Holder has realized a Reserve Deposit profit (or Excess) of \$2,000 or 150% on his initial EEC cost. The Reserve Deposit + Excess value is now \$3000.00. However, the next buy transaction is still limited to 10x the initial Reserve Deposit of \$1000.00. Remember only a maximum Purchasing Allowance of \$10,000.00 can be utilized in a \$1,500.00 EEC.

B USER 2  
EEC # 09875 (\$1,500 EEC)  
Transactions = 20  
Contract Cost = \$500  
Reserve Deposit = \$1,000.00  
3/4/98 BUY 500 XYZ @ 20 evaluation = \$10,000  
3/7/98 SELL 500 XYZ @ 19 evaluation = \$9,500  
Net evaluation = \$500  
Transactions Left = 18 (Transactions have been reduced by 2 - one buy/one sell)  
Reserve Deposit = \$500 (Reserve Deposit has been reduced by \$500)

In the above example, the EEC Holders purchased a \$1,500 EEC then allocated the equity to one buy transaction valued at \$10,000 and then entered one sell transaction of the same underlying security (1 buy and 1 sell). The EEC Holder has realized a Reserve Deposit loss of \$500. The Reserve Deposit was subsequently reduced by \$500.00. Therefore, the next transaction will be limited to 10x of what remains in the Reserve Deposit (or \$5,000). EEC Holders Purchasing Allowance can never exceed 10x the Reserve Deposit at any time stock positions

#### VIII Legal / EEC

##### TRADEGAME Equity Empowered EEC Agreement

This agreement is between us the obligor (TRADEGAME International Inc. <"TRADEGAME">) and you (the EEC Holders), the obligee, governing your Equity Empowered Contract ("EEC") opened by you on your behalf pursuant to the application (see attached). Please fill out the EEC Application. Specific terms including number of transactions, status of Reserve Deposit, value of transactions and time remaining on EEC will appear on periodic statements that you will electronically receive from us.

FIG. 25

FIG. 25

Screen  
14

#### 1 General

You fully understand TRADEGAME is not a broker dealer nor does it claim to be one. TRADEGAME provides you with an opportunity to become an EEC Holder and demands you to abide and adhere to the terms and conditions of said EEC(s). TradeGame offers EEC which allow holders to participate in simulated transactions in which they have no ownership interest in the underlying security. Furthermore, TRADEGAME is not obligated nor does it make specific claims to purchase any securities for its EEC's, TRADEGAME is solely responsible to evaluate EEC's based upon the performance(s) of securities within the time frames EEC Holders actually submit trading requests to TRADEGAME for said securities. Any monies that may be paid to EEC Holders are based upon these aforementioned evaluations. Each EEC purchased by you will be made pursuant to the description of terms set forth in the EEC Schedules (see attached) relating to your particular EEC. Upon our acceptance of each EEC and upon credit card or bank approval, the EEC agreement will be activated allowing you to become an EEC Holder. TRADEGAME will then forward a confirmation notice itemizing the terms of the EEC, an EEC number and personal identification number to be utilized for all transactions during the life of the aforementioned EEC. Terms used herein with respect to any EEC but not otherwise defined herein have the meaning set forth in the confirmation with respect to such EEC, and, to the extent that any of the terms set forth in the EEC with respect to an EEC vary from the terms thereof set forth in any EEC Schedule, the EEC will govern. TRADEGAME reserves the right to refuse any potential EEC Holders, and to suspend or discontinue the initiation of an EEC at any time.

#### 2 Amount of EEC

The amount of the EEC and the currency required (USD) for each EEC are specified in the EEC Schedules, the relevant confirmation and defined by which EEC is purchased (\$300, \$750, \$1,500)

#### 3 Payment

Each payment with respect to the EEC will be credited according to the EEC Schedules and to your instructions. Upon bank checking approval, TRADEGAME will apply the said amount to the EEC of choice (\$300, \$750, \$1,500)

#### 4 Term

The EEC will commence following credit approval on the Commencement Date ("CD") and will mature 30 (thirty) days following the CD on the Maturity Date ("MD"). On the MD, all open transactions must be closed out by the EEC Holders on or before 12 noon Eastern Standard Time. If the CD or the MD fall on a date in which the New York Stock Exchange ("NYSE") is closed, then the CD or the MD will take place the next day the NYSE is open. An Evaluation Date ("ED") is any date in which the EEC has to have its Reserve Deposit evaluated due to a buy or sale of a stock. A Net Evaluation is made for all transactions. Confirmations will list all ED's. If a CD or MD falls on a day when the market is closed or TRADEGAME determines that the relevant market pursuant to which the evaluation of a transaction is determined has halted, closed or trading has been suspended - then the CD or the MD as the particular case may be will be the next succeeding day on which such market is open and/or TRADEGAME determines that such relevant market is open for business and trading thereon has not been suspended or halted. If a stock is suspended or halted on the MD - TRADEGAME reserves the right to close the stock position at a price TRADEGAME determines as fair and reasonable. Preceding a CD, to be eligible for the purchase of an EEC with a term beginning on that CD, funds must be cleared for the complete EEC amount in U S currency. Therefore, TRADEGAME will accept payment in U S Dollars (USD) only. TRADEGAME will commence closing all positions after 12 01 PM Eastern Standard Time at the available market price on the MD if the said EEC Holder has neglected to fulfill all EEC obligations.

The EEC is defined as follows

- a. one third (1/3) of the EEC price is a Contract Cost ("CC"). A CC is non-refundable as soon as the EEC is activated (the EEC becomes active once payment for the EEC amount has cleared)
- b. The other two thirds (2/3) of the EEC amount is considered a Reserve Deposit (or "RD") held by TRADEGAME (a RD is maintained by TRADEGAME to protect TRADEGAME and possibly an EEC Holder from any unusually high risk and/or loss sustained to the EEC when the 10% stop loss feature is activated. All stop loss activation occurs when a transaction made by the EEC Holder falls approximately 10% in value. Please note: every opening transaction placed is entered with an automatic 10% stop loss by TRADEGAME which controls downside risk as mentioned to both the EEC Holders and TRADEGAME)

If in the event the Reserve Deposit falls under one hundred dollars (\$100.00) the EEC Holders has two business days in which to exercise the REPLENISH OPTION, otherwise the EEC is automatically terminated and remaining reserve deposit is returned to said holder within 7 business days thereafter. The REPLENISH OPTION is defined as the ability for EEC Holders to recapitalize the Reserve Deposit to any extent the EEC Holder sees fit, thus allowing EEC Holders to use any remaining transactions left on their EEC for the balance of the term. The REPLENISH OPTION feature follows the same rules as defined by RD wallet (Purchasing Allowance) (10 x reserve deposit). The REPLENISH OPTION does not extend the MD. Wallet (Purchasing Allowance) is defined as the amount of the initial or reduced Reserve Deposit x 10 (10 times the Reserve Deposit) during the life of the EEC and can never exceed the amount of the original RD of an EEC agreement. Therefore, wallet (Purchasing Allowance) is at a maximum when the initial Reserve Deposit is calculated with a multiple of 10:  $200(RD) \times 10 = \$2000$  for a \$300 EEC;  $500(RD) \times 10 = \$5000$  for a \$750 EEC; and  $1,000(RD) \times 10 = \$10,000$  for a \$1,500 EEC. Any and all Excess (due to profitable trading) above the initial Reserve Deposit, as stated by the term of the EEC is not calculated in the 10 x ratio and is therefore left to accrue until such time as the EEC ends or the amount of the Excess is reduced or depleted to cover or become all or part of the initial Reserve Deposit amount. In the event the EEC requires additional Reserve Deposit and there is no Excess, the REPLENISH OPTION can be exercised in any amount not exceeding the initial Reserve Deposit to sustain the term of the EEC. This addition will become part of the wallet (Purchasing Allowance) calculation as described above. In the event the 10% stop loss feature is executed and the Reserve Deposit does not adequately cover any downside loss, TRADEGAME reserves the right to use and apply any and all Excess equity to diminish or completely eradicate any such unforeseen loss.

#### 5 Profits

All profits from EEC's shall be paid as follows.

- In all cases the evaluation of profit potential is based on calculating any gains against any losses on all transactions in each separate EEC
- TRADEGAME will not immediately guarantee the accuracy of any specific transaction confirmation due to risks associated with any electronic delay of pricing and other market conditions
- There is no interest payable on Reserve Deposit equity during the term of the EEC, nor is there any interest paid on additions (REPLENISH OPTION) or gains (Excess) to the Reserve Deposit during the term of the EEC
- Payable gains equals a positive valuation above the initial Reserve Deposit at the end of the EEC term following any and all adjustments made by TRADEGAME. All EEC Holders are responsible to pay their respective government's taxes (if applicable) on any and all payable gains. TRADEGAME will pay all EEC Holders The Proceeds of any and all remaining funds in the Reserve Deposit plus any and all payable gains within 7 business days after the MD. The appropriated tax forms (found on the account

FIG. 26

Screen 15

application forms) are to be signed and filed at TRADEGAME prior to the MD. If no tax forms are signed or filed at TRADEGAME by the MD, TRADEGAME reserves the right to retain U.S. with holding taxes

- The Proceeds are not paid prior to the MD of the EEC (except when there is early withdrawal in which case the EEC is terminated)

#### 6. Early Withdrawal

For any EEC purchased, Early Withdrawal or the option to surrender such EEC prior to its MD is subject to the following terms and conditions

- i Early Withdrawal of an EEC may only be requested by an EEC Holder. TRADEGAME reserves the right to review any request for an Early Withdrawal and will subsequently deny or approve the relevant request.
- ii TRADEGAME will not refund any portion of the CC (as described in section 4 above) in the case of Early Withdrawal nor does it allow for any such EEC Holders to reinstate the EEC that is in question at any later date. When the EEC is surrendered by Early Withdrawal it is declared no longer accessible, the EEC becomes immediately terminated.
- iii To exercise the Early Withdrawal option with respect to an EEC, EEC Holders must provide TRADEGAME with an irrevocable electronic E-mail notification of such an intention to initiate the aforementioned option. An Early Withdrawal E-mail must be submitted to TRADEGAME 3 days prior to the business day on which the relevant Early Withdrawal Date will actually fall on. Such notice shall identify the relevant EEC and shall specify the relevant Early Withdrawal Date.
- iv Early withdrawals are permitted only by express permission by TRADEGAME. No partial withdrawals are permitted.
- v In the event TRADEGAME elects to permit Early Withdrawal of an EEC, the EEC Holder requesting the option will receive the sum of the balance of the Reserve Deposit plus any Excess within 7 business days after all open positions have been closed out (according to the market price of the underlying security assuming there has been no suspension of the market in the underlying stock and no recoverable loss beyond the 10% stop loss feature has occurred in the process).
- vi An EEC Holder not closing out positions by 12 noon Eastern Standard Time on the Early Withdrawal Date automatically authorizes TRADEGAME to freeze the EEC trading and sell all stock position(s) commencing at 12 30 PM on the Early Withdrawal Date.
- vii All TERMS regarding MD apply to Early Withdrawal.

#### 7. Nontransferable

EEC's are non-negotiable and nontransferable

#### 8. Statements

All statements are sent via E-mail. In addition to the confirmation of an EEC purchase, an EEC Holder will receive a Final Review Statement regarding their EEC (includes transaction history, reserve deposit remaining, any Excess amount, all ED's, actual number of transactions used over the term of the EEC and terms) no later than seven business days after the MD (via E-mail).

#### 9. Applicable laws

EEC's are subject to and this agreement shall be construed in accordance with the laws of the state of New York

#### 10. Notices

All notices will be sent by electronic mail to the E-mail address given to TRADEGAME by an EEC Holder that appears on our records.

#### 11. Ownership

Each EEC purchased and shown on our records shall be solely owned in the name of the individual(s) whose bank card, check, money order or etc has been processed for such purchase.

#### 12. Product Description, Consultation with Advisors

By entering into or reaffirming this agreement (1) you confirm that you have read and understand the EEC Agreement above and the EEC Schedule relating to each EEC purchased and (2) you represent to us that you have consulted with legal, tax and/or investment advisors to the extent you deem necessary to make an informed decision with respect to purchasing each EEC.

#### 13. Setoff

You as an EEC Holder hereby grant us a lien and right of setoff against and limited to balances in the Reserve Deposit and from time to time to secure any present or future obligation you owe to us, whether matured or unmatured, fixed or contingent, and such right may be exercised at any time(s) including at or after your death.

#### 14. Change of terms

TRADEGAME may change the terms of this agreement at any time, provided that we will not make any adverse changes to your existing EEC. We have the right to add or discontinue offering EEC at any time without notice.

#### 15. For Joint Accounts with Rights of Survivorship

If the EEC has been registered in the name of two or more individuals you agree that any funds in the Reserve Deposit may be paid upon request or order of any person on that account whether the others or other be living or not. You as an EEC Holder(s) intend to and do hereby create a joint tenancy with rights of survivorship. Each owner/EEC Holder appoints each other to be capable and able with the use of the security PIN # and EEC # to process orders and exercise the right to surrender the EEC upon request. Any discrepancy arising out of the use of the PIN # or EEC # is solely the responsibility of the owner(s)/EEC Holder(s) of the EEC and do hereby release TRADEGAME from any and all legal liability against any dispute arising from the use of the trading system between owners/EEC Holders and TRADEGAME. There is no obligation to TRADEGAME to inquire into the source or application of funds for an EEC purchase. Each owner/EEC Holder jointly and singly agrees to hold TRADEGAME harmless and indemnified from loss, cost and damage in all respects in connection with any of the foregoing, including court costs and attorney fees, and any and all liability arising out of illegal use of PIN #, EEC # or checking account.

#### 16. Stock Universe

Only transactions relating to the value of AMEX, NYSE and NASDAQ NMS (respective markets) traded securities will be permitted. Furthermore, TRADEGAME still reserves the right to refuse any transaction if it feels it violates TRADEGAME or EEC holder safety. Therefore TradeGame does not allow transactions in any underlying securities that trade on the etc electronic bulletin board, the pink sheets or have a value of one dollar or less.

FIG. 27

Screen 16

EEC Schedules

	\$300 EEC	\$750 EEC	\$1500 EEC
\$ Due at Commencement	\$300	\$750	\$1,500
Term	30 days	30 days	30 days
Contract cost	\$100	\$250	\$500
Reserve Deposit (*Refunded if at breakeven)	\$200	\$500	\$1,000
Wallet (Purchasing Allowance) (*10x Reserve Deposit, never to exceed RD)	\$2,000	\$5,000	\$10,000
Maximum # Of Transactions	4	10	20

ALL TRANSACTIONS MUST INVOLVE THE UNDERLYING SECURITIES OF NYSE, AMEX OR NASDAQ, NMS listed COMPANIES. EACH SEPARATE TRANSACTION WILL NEVER EXCEED THE MAXIMUM OF 1000 SHARES OF ANY SECURITY AT ANY GIVEN TIME

IX Electronic Services

Electronic Services Agreement

This Electronic Services Agreement amends the EEC between you and TradeGame strictly regarding your use of the Electronic Services

1 Use of Electronic Services

This Electronic Services Agreement ("Agreement") between you and TRADEGAME states the terms and conditions of your use of TRADEGAME's Electronic Services. Electronic Services means any and all of TRADEGAME's computer or telephonic services or systems including, but not limited to services and information accessible through TRADEGAME's proprietary software, TRADEGAME's Web site, TRADEGAME's externally accessible computers and networks, or their successors, and any other computer or telephonic securities trading services or information system provided to you by TRADEGAME, whether established by TRADEGAME directly or through other service providers. In offering its Electronic Services, TRADEGAME is making available to you interactive computer services and/or automated telephonic services or systems that allow you to enter transactions within a TRADEGAME EEC and to obtain quotations and other information via computer or telephonic transmission for use on compatible personal, home or small business computers, including Internet appliances with modems, terminals or network computers that can connect to a telecommunications network. You agree to use TRADEGAME's Electronic Services and any additional services offered by TRADEGAME in the future only in accordance with this Agreement. TRADEGAME may amend or terminate this Agreement upon notice from TRADEGAME. Nothing in this Agreement should be construed as a solicitation or recommendation to buy or sell any security. You also agree to abide by any rules, procedures, standards, requirements or conditions established by TRADEGAME regarding use of its Electronic Services or electronic communications facilities that TRADEGAME makes available.

2 Financial Market Information, Limited Warranty

Financial market data, quotes, news, research or information accessible through TRADEGAME (the "Information") has been independently obtained by financial markets information services, financial publishers, various securities markets, such as stock exchanges, their affiliates and others (collectively, "Information Providers"). The accuracy, completeness, timeliness or correct sequencing of the Information is not guaranteed by TRADEGAME, the Information Providers or any parties transmitting the Information ("Information Transmitters"). There may be delays, omissions or inaccuracies in the Information. You agree that neither TRADEGAME, the Information Providers nor the Information Transmitters shall have any liability, contingent or otherwise, for the accuracy, completeness, timeliness or correct sequencing of the Information, or for any decision made or action taken by you in reliance upon the Information or the Electronic Services, or for interruption of any data, information or aspect of the Electronic Services. THERE IS NO WARRANTY OF MERCHANTABILITY, NO WARRANTY OF FITNESS FOR A PARTICULAR USE AND NO WARRANTY OF NONINFRINGEMENT. THERE IS NO OTHER WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE INFORMATION OR ANY ASPECT OF THE SERVICE (INCLUDING BUT NOT LIMITED TO INFORMATION ACCESS AND TRANSACTION EXECUTION).

3 Limitations of Liability

IN NO EVENT WILL TRADEGAME, THE INFORMATION PROVIDERS OR THE INFORMATION TRANSMITTERS BE LIABLE TO YOU OR ANYONE ELSE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL OR INDIRECT DAMAGES (INCLUDING BUT NOT LIMITED TO LOST PROFITS, TRANSACTION LOSSES AND DAMAGES) THAT RESULT FROM INCONVENIENCE, DELAY OR LOSS OF THE USE OF THE ELECTRONIC SERVICES, EVEN IF TRADEGAME, THE INFORMATION PROVIDERS OR THE INFORMATION TRANSMITTERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LOSSES. YOU AGREE THAT THE LIABILITY OF TRADEGAME, THE INFORMATION PROVIDERS AND THE INFORMATION TRANSMITTERS ARISING OUT OF ANY KIND OF LEGAL CLAIM (WHETHER IN CONTRACT, TORT OR OTHERWISE) IN ANY WAY CONNECTED WITH THE ELECTRONIC SERVICES OR THE INFORMATION WILL NOT EXCEED THE AMOUNT YOU ORIGINALLY PAID FOR THE ELECTRONIC SERVICE. Neither TRADEGAME, the Information Providers nor the Information Transmitters shall be liable for any loss resulting from a cause over which such entity does not have direct control, including but not limited to failure of electronic or mechanical equipment or communication lines, telephone or other interconnect problems, bugs, errors, configuration problems or incompatibility or computer hardware or software, failure or unavailability of Internet access, problems with Internet Service provider or other equipment or services relating to your computer, problems with intermediate computer or communications networks or facilities, problems with data transmission facilities or your telephone or telephone service, or unauthorized access, theft, operator errors, severe weather, earthquakes or labor disputes. TRADEGAME is not responsible for any damage to your computer, software, modem, telephone or other property resulting from your use of the Electronic Services. SOME JURISDICTIONS DO NOT ALLOW LIMITATIONS ON HOW LONG IMPLIED WARRANTIES LAST, THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES OR THE EXCLUSION OF CERTAIN IMPLIED WARRANTIES, SO THAT THESE DISCLAIMERS AND LIMITATIONS MAY NOT APPLY TO YOU. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS, WHICH VARY FROM JURISDICTION TO JURISDICTION.

4 Proprietary Information

The information is the property of the Information Providers of others and is protected by copyright. You agree not to reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the

FIG. 28

FIG. 28

Screen  
17

information in any manner without the express written consent of TRADEGAME and the relevant information Provider(s), you also agree not to use the Information for any unlawful purpose. You agree to comply with reasonable written requests by TRADEGAME to protect the Information Providers' and TRADEGAME respective rights in the Information and the Electronic Services

#### 5 Use of Quotes

You agree to use the quotes only for your individual use in your business. You will not furnish the quotes to any person or entity other than an officer, partner or employee of your business. If you are a securities professional, such as an investment advisor, you may occasionally furnish limited amounts of quotes to your customers and clients, but solely in the regular course of your securities business. If you furnish quotes to your customers and clients who are not on your premises, you may do so solely (i) in written advertisements, educational material, sales literature or similar written communications or (ii) during telephonic voice communication not entailing the use of computerized voice synthesization or similar technology. You shall not permit any customer or client to take physical possession of "your equipment" (i.e., the equipment that you use to receive, display or otherwise use quotes). You shall abide by any additional limitations on use of quotes that that TRADEGAME may specify in the future.

#### 6 No Legal or Tax Advice

You acknowledge that neither the Electronic services nor any of the Information is intended as tax or legal advice. Although the Electronic Services provide access to numerous recommendations about how to invest and what to buy, none of these recommendations are developed or endorsed by TRADEGAME.

#### 7 No Recommendations

You acknowledge that you are responsible for determining the nature, potential value and suitability for yourself of any particular transaction or investment strategy, and that TRADEGAME does not give advice on or recommendations regarding particular securities, including advice involving suitability of and investment strategies for particular securities.

#### 8 Access, Passwords and Security

You will be responsible for the confidentiality and use of your access number(s), password(s), and EEC number(s). You will be responsible for all transactions entered through and under your access number(s), password(s) and EEC number(s), and any orders so received by TRADEGAME will be deemed to have been received from you. All transactions shall be deemed to be made at the time received by TRADEGAME and in the form received. You agree immediately to notify TRADEGAME if you become aware of

- a. Any loss or theft of your access number(s), password(s) and/or EEC number(s), or
- b. Any unauthorized use of any of your access number(s), password(s) and/or EEC number(s), or of the Electronic Services or any information, or
- c. Any failure by you to receive a message that a transaction initiated by you through the electronic Services has been received and/or executed through the Electronic Services, or
- d. Any failure by you to receive accurate confirmation of a transaction or its execution within seven (7) business days after entering the transaction through the Electronic Services, or
- e. Any receipt of confirmation of a transaction that you did not place, or any similarly inaccurate or conflicting report or information

#### 9 Data Transmission

You acknowledge that data, including e-mail, electronic communications and personal financial data, may be accessed by unauthorized third parties when communicated between you and TRADEGAME Information Providers or Information Transmitters, using the Internet, other network communications facilities, telephone or any other electronic means. You agree to use software produced by third parties, including, but not limited to, "browser" software that supports a data security protocol compatible with the protocol used by TRADEGAME. Until notified otherwise by TRADEGAME, you agree to use software that supports the Secure Socket Layer (SSL) protocol or other protocols accepted by TRADEGAME and follow TRADEGAME's log-on procedures for Electronic Services that support such protocols. You acknowledge that TRADEGAME is not responsible for notifying you of any upgrades, fixes or enhancements to any such software or for any compromise of data transmitted across computer networks or telecommunications facilities, including, but not limited to the Internet.

**10 Subscription, Service, Use Fees:** You agree to pay all subscription, service and use fees, if any that you are charged by TRADEGAME for the Electronic Services and agree that such fees may be changed without notice. You agree to pay all costs (including attorneys' fees), if any, incurred by TRADEGAME in collecting overdue fees from you. You also agree to pay all federal, state and local taxes applicable to your use or receipt of the Electronic Services. You hereby grant TRADEGAME a continuing security interest in the assets in any TRADEGAME EEC(s) on which you are listed as an EEC holder, to secure the timely payment of all fees owed by you for the Electronic Services and any other amounts owing under this Agreement.

#### 11 EEC Restrictions

If there is a restriction on your EEC(s) at TRADEGAME, your use of the Electronic Services' transaction functions will be so restricted with respect to such EEC(s). Further, TRADEGAME reserves the right in its sole discretion to require a cash or equity deposit at any time and to determine the adequacy of any such deposit prior to the execution of any transaction through the Electronic Services. TRADEGAME will not be responsible for any delay or failure to provide the Electronic Services, including any transaction, in the event there is a restriction on your EEC, you lack sufficient funds in your EEC or you delay or fail to make a required cash or equity deposit.

#### 12 Indemnification

You agree to defend, indemnify and hold TRADEGAME, the Information Providers and the Information Transmitters harmless from and against any and all claims, losses, liability costs and expenses (including but not limited to attorneys' fees) arising from your violation of this Agreement, state or federal securities laws or regulations, or any third party's rights, including but not limited to infringement of any copyright, violation of any proprietary right and invasion of any privacy rights. This obligation will survive the termination of this Agreement.

#### 13 Our Ability to Terminate Electronic Services

TRADEGAME reserves the right to terminate your access to the Electronic Services or any portion of them in its sole discretion, without notice and without limitation, for any reason whatsoever, including but not limited to the unauthorized use of your access number(s), password(s) and/or EEC number(s), breach of this Agreement, discontinuance of TRADEGAME's access to any information or data from any Information Provider or termination of one or more agreements between TRADEGAME and Information Providers or Information Transmitters. In the event of a termination by TRADEGAME, the Information Providers, the Information Transmitters and TRADEGAME shall have no liability to you.

#### 14 Electronic Communications

The Electronic Services you access by computer provide you with the capability to send electronic communications, such as e-mail, directly to TRADEGAME and interact within applicable areas of the Electronic Services. You agree to the following terms with respect to your use of electronic communications through the Electronic Services:

TRADEGAME CONFIDENTIAL

FIG. 29

Screen  
18

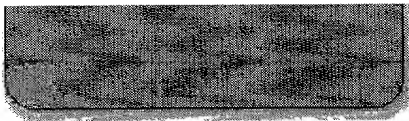
- a You will not transmit transactions to TRADEGAME using electronic communications except through those electronic features designated by TRADEGAME for the express purpose of executing transactions. You acknowledge that TRADEGAME will not act upon transactions transmitted through electronic communications other than transactions you transmit through designated transaction order features.
- b TRADEGAME shall be entitled, but is not obligated, to review or retain your electronic communications for, among other reasons, monitoring the quality of service you receive, your compliance with this Agreement and the security of the Electronic Services. TRADEGAME is entitled to disclose your electronic communications to the same extent it may disclose other information about you or your EEC (s) as provided elsewhere in your EEC agreement(s). In no event will TRADEGAME be liable for any costs, damages, expenses or any other liabilities incurred by you as a result of such activities by TRADEGAME.
- c You will not use any electronic communication feature of the Electronic Services for any purpose that is unlawful, abusive, harassing, libelous, defamatory, obscene or threatening. You will not use the Electronic Services to solicit TRADEGAME customers or others or participate in the solicitation of TRADEGAME members or others for any purpose.
- d You will not upload, post, reproduce or distribute any information, software or other material protected by copyright or any other intellectual property right (as well as rights of publicity and privacy) without first obtaining the permission of the owner of such rights.
- e You will not in any way express or imply that the opinions in your electronic communications are endorsed by TRADEGAME at the e-mail address, and
- f If you use the Electronic Services that you access by computer, you agree to provide TRADEGAME with your e-mail address, promptly provide TRADEGAME with any changes to your e-mail address and accept electronic communications from TRADEGAME at the e-mail address you specify, and
- g You agree to be bound by any consent you give through the Electronic Services for TRADEGAME to provide notices, statements, transaction confirmations and other communications to you solely through electronic transmission.

#### 15 General

You acknowledge that in providing you with the Electronic Services, TRADEGAME has relied upon your agreement to be bound by the terms of this Agreement and any user or license agreement(s) related to or accompanying Electronic Services-related software. You further acknowledge that you have read, understood and agree to be bound by the terms of (i) the user license agreement of any Electronic Services-related software, and (ii) the terms of TRADEGAME's EEC agreement(s) and any other agreement with TRADEGAME that applies to your EEC(s), all as currently in effect and amended from time to time.

#### 16 Modifications

This Agreement may be modified by TRADEGAME upon written notice to you provided however, that if TRADEGAME sends you written notice, via electronic communication or otherwise, of a modification you confirm your acceptance of the modification by not closing and/or by continuing to use your EEC.



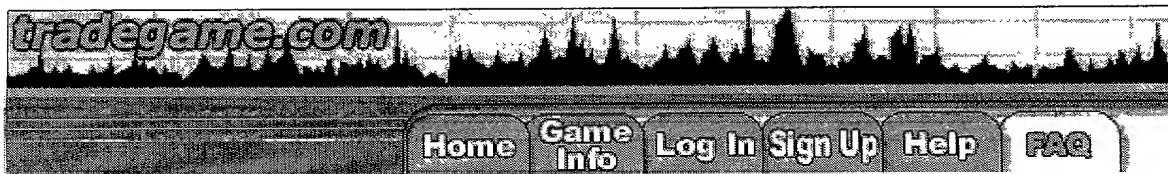
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**1-800-668-6906**

Screen  
19

FIG. 30



## FAQ

How many shares can I buy?

Do I own the securities underlying the transaction?

Why is money kept in a reserve?

Am I responsible for taxes?

How much can I lose?

How much can I make?

What are the transaction costs?

Is my money protected?

Are you a broker or dealer?

What exchanges can I trade?

How much does it cost and why?

How do I pay?

How many shares can I buy at one time?

You may purchase up to 1,000 shares per transaction, however the value of the 1,000 shares cannot exceed your purchasing allowance



Do I own the securities underlying the transaction?

NO You have no ownership interest in the underlying securities represented by each transaction. You are solely entitled to the cash in your account



Why is money kept in reserve?

TRADEGAME keeps your money in reserve to protect itself against any unforeseen activation of the 10% stop loss that is processed with every purchase transaction. If no losses occur this money is refunded at the end of the 30 days



Am I responsible for taxes?

Users are liable to cover any and all tax responsibility issued by your government. Clients taxed on a "forward contract" taxation laws

Domestic clients.

- 1 If client does not provide a Social Security#/Tax ID# on his Substitute W9 form, TG simply withholds 31% of The Proceeds and sends client a 1099B at year-end. TG will be penalized \$50 by the US Government for every client that does not provide a social security or tax id number
- 2 If client does provide a Social Security#/Tax ID# on his Substitute W9 form, and certifies that he is not subject to back up withholding, The Proceeds will be sent to him and a 1099B will be forwarded by year-end
- 3 If client does provide a Social Security#/Tax ID# on his Substitute W9 form, and certifies that he is subject to backup withholding, TG will withhold 31% of The Proceeds and send him a 1099B by year-end.

Foreign Clients

- 1 The foreign client does not sign and return a Form W-8 BEN, TG will withhold 30% of The Proceeds and provide Form 1042S by year-end
- 2 If foreign client does sign and return a Form W-8 BEN, TG will withhold the current "treaty rate" percentages (the US and his particular country have agreed upon these percentages) from The Proceeds. TG will provide a Form 1042S by year-end

\*TG will provide downloadable tax forms on its web site for all clients



How much can I lose?

Your risk is limited to only what you put up. \$300 for a \$300 dollar contract, \$750 for a \$750 contract and \$1,500 for a \$1,500 contract. Tradegame however, has been designed to give the user the largest possible edge while limiting downside exposure through the use of 10% stop limits on all purchases



How much can I make?

> The potential is enormous considering that you are able to use 10x the amount of money that Tradegame holds in reserve. Ex. for a \$300 contract \$100 of the \$300 cost is deducted and is not refundable, but the remaining \$200 is kept in reserve as collateral against your \$2,000 position in the event the 10% stop loss is activated and is refunded with all your winnings at the end of the month. The same concept applies for the \$750 contract where \$250 is deducted and not refundable and the balance of \$500 is held in reserve as collateral against your \$5,000 position. Additionally, the same procedure is utilized for a \$1,500 contract where \$500 is deducted and not refundable and \$1,000 is held in reserve as collateral against your \$10,000 position



What are the transaction costs?

There are none. All the costs are built into the contract cost

*This FAQ section  
(Screens 20-21)  
enhances the  
description of  
the program  
through offering  
answers to some  
commonly asked  
questions*

FIG- 31

Screen  
20

TradeGame International

FIG. 32

Screen 2/



Is my money protected?  
You cannot lose more than you put up, even though TRADEGAME allows for 10x purchasing power. We are not a member of SIPC.



Are you a broker a dealer?  
Tradegame is not nor does it purport to be a broker/dealer.



What exchanges can I trade?  
TRADEGAME permits simulated transactions to be executed relating to AMEX, NYSE and NASDAQ NMS listed securities only.



How much does it cost and why?  
The cost of each contract is as follows  
\$300 for a \$300 contract

- \$100 non refundable contract cost
- \$200 refundable collateral (reserve) for \$2,000 position

\$750 for a \$750 contract

- \$250 non refundable contract cost
- \$500 refundable collateral (reserve) for \$5,000 position

\$1,500 for a \$1,500 contract

- \$500 non refundable contract cost
- \$1,000 refundable collateral (reserve) for \$10,000 position



How do I pay?  
There are three ways to pay for your TRADEGAME account  
1. Through bank wire  
You can wire your funds right to the tradegame account and begin playing immediately once you receive your login name and password. You can also receive your funds at the end of the game the same way simply by filling out your bank account information.

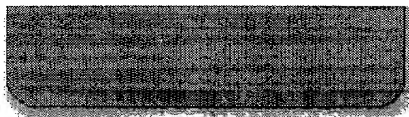


2. By using our checks by net system ( )  
This system allows you to electronically debit your bank account and send a computer check to us. This system also allows us to do the same when paying at the end of the contract. This system allows you to electronically debit your bank account and send a computer check to us. This system also allows us to do the same when paying at the end of the contract.

3. By Check or Money Order  
Just send to

Tradegame International Suite C-140  
1981 Marcus Avenue  
Lake Success, New York 11042

Once the money order is received and processed you will receive a login name and password by e-mail. Please allow 5 days for all checks to clear before being issued a login name and password.



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**1-800-668-6906**